

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-01 INR-07 L-03 NSAE-00
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 ACDA-07
TRSE-00 SAJ-01 ERDA-05 AID-05 IGA-02 OMB-01 EB-08
MC-02 NEA-10 NRC-05 /104 W
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TO SECSTATE WASHDC 0638
INFO AMEMBASSY BELGRADE
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AMEMBASSY BUDAPEST
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY PRAGUE
USMISSION USNATO
SECDEF WASHDC
DIA WASHDC
CINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 1 OF 2 VIENNA 0701

EO 11652: GDS
TAGS: PFOR, MPOL, UR, AU
SUBJECT: PARLIAMENTARY DEBATE ON ARMS SCANDAL INCONCLUSIVE

REF: VIENNA 0537
1. BEGIN SUMMARY: AUSTRIAN PARLIAMENT CONDUCTED INCONCLUSIVE
DEBATE JANUARY 26 OVER QUESTIONABLE ARMS-AMMO DEAL WITH SYRIA
AND ROLE OF DEFENSE MINISTER LUETGENDORF THEREIN. SOCIALIST
MAJORITY BEAT DOWN SEVERAL OPPOSITION NO-CONFIDENCE MOTIONS,
AFTER WHICH PARLIAMENT AGREED TO ESTABLISH COMMITTEE TO
INVEESTIGAGE DEAL AND REPORT ITS FINDINGS BY END OF MARCH.
DEBATE DEVELOPED NO NEW IMPORTANT FACTS OR ASPECTS ON
CONTROVERSY BUT DID SHOW THAT LUETGENDORF HAS BECOME
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POLITICAL ALBATROSS FOR GOA AND THAT KREISKY HAD NOT
HANDLED CASE TO DATE WITH HIS USUAL POLITICAL SKILL.
MARCH DEADLINE FOR REPORT ALLOWS CHANCELLOR TIME TO PUT
TOGETHER APPROPRIATE SCENARIO FOR HANDLING POSSIBLE
FURTHER POLITICAL FALLOUT OVER ARMS DEAL AND FOR
REPLACING LUETGENDORF. SPECULATION HAS ALREADY BEGUN
ON LUETGENDORF'S POSSIBLE SUCCESSORS; AMONG MENTIONED

ARE INTERIOR MINISTER ROESCH AND STATE SECRETARY FOR DEVELOPMENT AID VESELSKY. END SUMMARY.

2. AT END OF TEN-HOUR SPECIAL SESSION OF PARLIAMENT JANUARY 26 SOCIALIST MAJORITY DEFEATED THREE OPPOSITION NO-CONFIDENCE MOTIONS: PEOPLE'S PARTY MOTIONS AGAINST DEFENSE MINISTER (79-92- FREEDOM PARTY ABSTAINING) AND CHANCELLOR KREISKY (79-91- FREEDOM PARTY ABSTAINING) AND FREEDOM PARTY MOTION FOR DISMISSAL OF ENTIRE SOCIALIST GOVERNMENT (89-92). PARLIAMENT THEN UNANIMOUSLY ADOPTED RESOLUTION ESTABLISHING PARLIAMENTARY COMMITTEE TO CONDUCT INQUIRY INTO CONTROVERSIAL EXPORT OF RIFLES AND AMMUNITION TO SYRIA AND DEFENSE MINISTER'S ROLE THEREIN. COMMITTEE'S REPORT IS TO BE SUBMITTED BY END OF MARCH.

3. IN DEBATE ITSELF KREISKY, SOCIALIST PARTY FLOOR LEADER FISHER, AND SOCIALIST CENTRAL SECRETARY BLECHA CARRIED MAIN BURDEN OF COUNTERING CHARGES AND TACTICS OF OPPOSITION PARTIES, WITH EVIDENT LACK OF ENTHUSIASM. SOCIALIST SPEAKERS ATTEMPTED TO DISMISS ARMS SALES CASE AS INSIGNIFICANT AND CHARGED THAT SIMILAR ARMS DEALS HAD BEEN CONCLUDED WITHOUT UPROAR UNDER EARLIER PEOPLE'S PARTY GOVERNMENT. MOST EFFECTIVE SOCIALIST ARGUMENT WAS THAT OPPOSITION PARTIES HAD ADOPTED ILLOGICAL POSITION OF PLACING NO-CONFIDENCE MOTION BEFORE PARLIAMENT WHILE AGREEING SIMULTANEOUSLY TO PARLIAMENTARY INVESTIGATION OF CASE TO BE COMPLETED AT LATER DATE. AT SAME TIME, SOCIALISTS MAINTAINED DEGREE OF POLITICAL CONFIDENTIAL

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DISTANCE FROM LUETGENDORF BY STATING INVESTIGATION WOULD NOT BE WHITEWASH AND, IF CHARGES AND ALLEGATIONS AGAINST LUETGENDORF WERE SUBSTANTIATED, APPROPRIATE STEPS (PRESUMABLY DISMISSAL) WOULD BE TAKEN. IN MEANTIME HOWEVER LUETGENDORF MUST, ACCORDING TO KREISKY, REMAIN IN OFFICE TO ASSIST IN INVESTIGATION.

4. BOTH OPPOSITION PARTIES EXPANDED DEBATE INTO BROAD ATTACK ON GOVERNMENT, CRITICIZING BOTH STYLE AND SUBSTANCE OF KREISKY'S STEWARDSHIP. MOST EFFECTIVE ARGUMENTS WERE CITATIONS OF EARLIER CONTRADICTORY STATEMENTS BY LUETGENDORF ON ARMS DEAL SCANDAL, APPARENT ABSENCE OF MINISTER'S CONTROL OVER MINISTRY'S OPERATIONS, DISAPPEARANCE OF ARMS AND AMMUNITION SHIPMENT FROM YUGOSLAV PORT TO UNKNOWN POINT, AND HESITANT, INEFFECTUAL

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R 281600Z JAN 77

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 0639

INFO AMEMBASSY BELGRADE

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MANNER IN WHICH KREISKY MOVED TO DEAL WITH CASE AFTER HE WAS INFORMED ABOUT IT IN MID-DECEMBER. FREEDOM PARTY (FPO) SPEAKER, IN ADDITION, NOTED THAT WHILE FPO FELT LUETGENDORF SHOULD BE DISMISSED FOR INCOMPETENCY AND LACK OF INTEGRITY, FPO NEVERTHELESS AGREED WITH HIS CALL FOR OVERCOMING ARTICLE 13 BAN ON MISSILES FOR AUSTRIA (REFTEL VIENNA 0267) AND TOOK UMBRAGE WITH CHANCELLOR'S STATEMENT EARLIER IN MONTH THAT, AS FAR AS GOA WAS CONCERNED, MISSILE ISSUE WAS CLOSED.

5. LUETGENDORF SPENT DIFFICULT DAY ON GOVERNMENT BENCH WHERE HE WAS SUBJECTED TO BRUSING OPPOSITION ATTACKS ON HIS PROFESSIONAL COMPETENCY AND PERSONAL INTEGRITY.
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HIS PARTICIPATION IN DEBATE WAS LIMITED TO READING STATEMENT REGARDING IMPORTANCE OF SMALL DOMESTIC ARMAMENTS INDUSTRY FOR AUSTRIAN DEFENSE AND HIS PAST

EFFORTS TO SUPPORT THIS INDUSTRY, AND TO REITERATION OF HIS EARLIER CLAIM THAT HE HAD NEITHER AUTHORIZED NOR KNEW ANYTHING ABOUT SYRIAN ARMS DEAL BUT, AFTER LEARNING ABOUT TRANSACTION, HAD TAKEN APPROPRIATE STEPS TO ESTABLISH FACTS OF CASE.

6. DEBATE MARKED WATERSHED AND MAY, IN RETROSPECT, HAVE BEEN HIGH POINT IN DOMESTIC UPROAR OVER ARMS DEAL SCANDAL. SOCIALISTS HAVE OBVIOUSLY BEEN EMBARRASSED BY ATTACKS ON LUETGENDORF AND GOA AND SEEM SOMEWHAT BAFLED THAT AFTER SO MANY EARLIER SOCIALIST MISMANAGEMENT DEBACLES (E.G. COLLAPSE OF BRIDGE INTO DANUBE, UN CITY PROJECT, BAURING SCANDAL) PUBLIC SHOULD HAVE BECOME SO INCENSED OVER RELATIVELY SMALL, QUESTIONABLE ARMS DEAL. MUCH OF CREDIT FOR KEEPING MATTER BEFORE PUBLIC BELONGS TO AUSTRIAN MEDIA, PARTICULARLY PRESS, WHICH EARLY ON BECAME FASCINATED WITH INGREDIENTS OF CASE (EX-BORDELLO OWNER AS ARMS DEALER, ALOOF AND TOUCHY DEFENSE MINISTER WITH NOBLE PEDIGREE, ARABS IN FLOWING ROBES BUYING RMS, ASSORTED FEMMES FATALES, ETC.) AND UNDERSTOOD ITS GREAT READERSHIP APPEAL.

7. ACCORDING TO RECENT SAMPLE POLL, 56 PERCENT OF AUSTRIAN POPULATION FEEL LUETGENDORF SHOULD EITHER RESIGN OR BE DISMISSED. GENERAL CONSENSUS IS THAT LUETGENDORF HAS CLEARLY BECOME POLITICAL ALBATROSS FOR KREISKY GOVERNMENT AND THAT HIS CONTINUATION IN GOVERNMENT IS GENERATING CONTROVERSY WITHIN SOCIALIST PARTY ITSELF. FACT THAT LUETGENDORF REPORTEDLY OFFERED HIS RESIGNATION IN EARLY JANUARY BUT CHANCELLOR REFUSED TO ACCEPT IT WOULD ALSO STRONGLY SUGGEST THAT LUETGENDORF'S CONTINUATION IN GOVERNMENT IS TEMPORARY CONFIDENTIAL

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AND LARGELY FOR TACTICAL REASONS. END OF MARCH DEALINE FOR PARLIAMENTARY REPORT SHOULD ALLOW KREISKY, IN INTERIM, TO PUT TOGETHER APPROPRIATE SCENARIO TO REPLACE DEFENSE MINISTER.

8. SPECULATION ON POSSIBLE SUCCESSORS HAS ALREADY BEGUN AND AMONG CANDIDATES MENTIONED ARE INTERIOR MINISTER ROESCH (FORMER STATE SECRETARY IN DEFENSE MINISTRY) AND STATE SECRETARY FOR DEVELOPMENT AID VESELSKY. SAME PRESS REPORTS INDICATE THA TWO INDIVIDUALS IN QUESTION, AS WELL AS OTHERS UNNAMED, HAVE SHOWN NO ENTHUSIASM TO TAKE POSITION. FINDING AN APPROPRIATE REPLACEMENT WILL BE NO EASY TASK FOR KREISKY, GIVEN KNOWN ANTIPATHY OF AUSTRIAN SOCIALISTS TO MILITARY ESTABLISHMENT AND KNOWLEGE THAT POSITION FOR SOCIALIST WILL NOT

IMPROVE INCUMENT'S PARTY STANDING OR CAREER PROPSECTS.BUCHANAN

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Message Attributes

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